

Adopted	Rejected
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COMMITTEE REPORT

YES:	22
NO:	0

MR. SPEAKER:

Your Committee on Ways and Means, to which was referred Senate Bill 57, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, line 3, after "Sec. 5." insert "(a)".
- 2 Page 2, between lines 13 and 14, begin a new paragraph and insert:
- 3 **"(b) A state agency's disclosure of the Social Security number of**
- 4 **an individual in compliance with subsection (a) does not violate**
- 5 **IC 5-14-3-4(a)(12).**
- 6 SECTION 2. IC 5-10.2-4-7 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Benefits provided
- 8 under this section are subject to IC 5-10.2-2-1.5.
- 9 (b) A member who retires is entitled to receive monthly retirement
- 10 benefits, which are guaranteed for five (5) years or until the member's
- 11 death, whichever is later. A member may select in writing any of the
- 12 following nonconflicting options for the payment of the member's
- 13 retirement benefits instead of the five (5) year guaranteed retirement
- 14 benefit payments. The amount of the optional payments shall be
- 15 determined under rules of the board and shall be the actuarial

equivalent of the benefit payable under sections 4, 5, and 6 of this chapter.

(1) Joint and Survivor Option.

(A) The member receives a decreased retirement benefit during the member's lifetime, and there is a benefit payable after the member's death to a designated beneficiary during the lifetime of the beneficiary, which benefit equals, at the option of the member, either the full decreased retirement benefit or two-thirds (2/3) or one-half (1/2) of that benefit.

(B) If the member dies before retirement, the designated beneficiary may receive only the amount credited to the member in the annuity savings account unless the designated beneficiary is entitled to survivor benefits under IC 5-10.2-3.

(C) If the designated beneficiary dies before the member retires, the selection is automatically canceled and the member may make a new beneficiary election and may elect a different form of benefit under this subsection.

(2) Benefit with No Guarantee. The member receives an increased lifetime retirement benefit without the five (5) year guarantee specified in this subsection.

(3) Integration with Social Security. If the member retires before the age of eligibility for Social Security benefits, in order to provide a level benefit during the member's retirement the member receives an increased retirement benefit until the age of Social Security eligibility and decreased retirement benefits after that age.

(4) Cash Refund Annuity. The member receives a lifetime annuity purchasable by the amount credited to the member in the annuity savings account, and the member's designated beneficiary receives a refund payment equal to:

(A) the total amount used in computing the annuity at the retirement date; minus

(B) the total annuity payments paid and due to the member before the member's death.

(c) If:

(1) the designated beneficiary dies while the member is receiving benefits; ~~or~~

(2) the member is receiving benefits, the member marries ~~either~~

1 for the first time or following the death of the member's spouse,
 2 after the member's first benefit payment is made, and the
 3 member's designated beneficiary is not the member's current
 4 spouse or the member has not designated a beneficiary; **or**
 5 **(3) the member is receiving benefits, and after July 1, 2006,**
 6 **there is a dissolution of marriage between the member and the**
 7 **designated beneficiary;**

8 the member may elect to change the member's designated beneficiary
 9 or form of benefit under subsection (b) and to receive an actuarially
 10 adjusted and recalculated benefit for the remainder of the member's life
 11 or for the remainder of the member's life and the life of the newly
 12 designated beneficiary. The member may not elect to change to a five
 13 (5) year guaranteed form of benefit. If the member's new election is the
 14 joint and survivor option, the member shall indicate whether the
 15 designated beneficiary's benefit shall equal, at the option of the
 16 member, either the member's full recalculated retirement benefit or
 17 two-thirds (2/3) or one-half (1/2) of this benefit. The cost of
 18 recalculating the benefit shall be borne by the member and shall be
 19 included in the actuarial adjustment.

20 (d) Except as provided in subsection (c), a member who files for
 21 regular or disability retirement may not change:

- 22 (1) the member's retirement option under subsection (b);
- 23 (2) the selection of a lump sum payment under section 2 of this
- 24 chapter; or
- 25 (3) the beneficiary designated on the member's application for
- 26 benefits if the member selects the joint and survivor option under
- 27 subsection (b)(1);

28 after the first day of the month in which benefit payments are scheduled
 29 to begin. For purposes of this subsection, it is immaterial whether a
 30 benefit check has been sent, received, or negotiated.

31 (e) A member may direct that the member's retirement benefits be
 32 paid to a revocable trust that permits the member unrestricted access to
 33 the amounts held in the revocable trust. The member's direction is

1 not an assignment or transfer of benefits under IC 5-10.3-8-10 or
2 IC 21-6.1-5-17.".

3 Renumber all SECTIONS consecutively.
(Reference is to SB 57 as printed January 27, 2006.)

and when so amended that said bill do pass.

Representative Espich